UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

KEITH THOMAS, RICHARD HAYES, HERB SMITH, and OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM, Plaintiffs, v. MAGNACHIP SEMICONDUCTOR CORP. SANG PARK, TAE YOUNG HWANG, MARGARET SAKAI, R. DOUGLAS NORBY, ILBOK LEE, NADER TAVAKOLI, RANDAL KLEIN, MICHAEL ELKINS, AVENUE CAPITAL MANAGEMENT II, L.P., BARCLAYS CAPITAL INC., DEUTSCHE BANK SECURITIES INC., CITIGROUP GLOBAL MARKETS INC., UBS SECURITIES LLC and NEEDHAM & COMPANY, LLC, Defendants.	Case No: 3:14-cv-01160-JST CLASS ACTION **SUPPLEMENTAL ORDER AND FINAL JUDGMENT** Hon. Jon S. Tigar

On the 21st day of November, 2016, a hearing having been held before this Court to determine, among other things: (1) whether the terms and conditions of the Stipulation and Agreement of Settlement dated February 5, 2016 (the "Stipulation") are fair, reasonable, and adequate for the settlement of all claims asserted by the Settlement Class against MagnaChip Semiconductor Corp., Sang Park, Tae Young Hwang, Margaret Sakai, R. Douglas Norby, Ilbok Lee, Nader Tavakoli, Randal Klein, and Michael Elkins (collectively, the "Settling Defendants") and Barclays Capital Inc., Deutsche Bank Securities Inc., Citigroup Global Markets Inc., UBS Securities LLC and Needham & Company, LLC (collectively, the "Underwriter Defendants"); and (2) whether to approve the proposed Plan of Allocation as a fair and reasonable method to allocate the Net Settlement Fund among the Settlement Class Members; and

The Court having considered all matters submitted to it at the hearing and otherwise; and

It appearing that the Notice substantially in the form approved by the Court in the Court's Order Preliminarily Approving Settlement and Providing For Notice ("Preliminary Approval Order") was mailed to all reasonably identifiable potential Settlement Class Members; and

It appearing that the Summary Notice substantially in the form approved by the Court in the Preliminary Approval Order was published in accordance with the Preliminary Approval Order and the specifications of the Court;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUGED AND DECREED THAT:

1. Unless indicated otherwise, capitalized terms used herein have the same meanings defined in the Stipulation.

2. The Court has jurisdiction over the subject matter of the Action, Lead Plaintiff, all Settlement Class Members, the Settling Defendants, and the Underwriter Defendants.

3. The Court hereby affirms its determinations in the Preliminary Approval Order certifying, for purposes of the Settlement only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil

Procedure on behalf of the Settlement Class consisting of all Persons who purchased or otherwise acquired MagnaChip Securities between February 1, 2012 and February 12, 2015 (the "Settlement Class Period"), including purchasers of MagnaChip common stock pursuant and/or traceable to the Registration Statement and Prospectus issued in connection with MagnaChip's February 6, 2013 follow-on public stock offering. Excluded from the Settlement Class are Defendants, MagnaChip's officers and directors during the Settlement Class Period, and all such excluded Persons' immediate families, legal representatives, heirs, parents, wholly-owned subsidiaries, successors, and assigns.

4. The Court hereby finds that the forms and methods of notifying the Settlement Class of the Settlement and its terms and conditions met the requirements of due process and Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Exchange Act, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995; constituted the best notice practicable under the circumstances; and constituted due and sufficient notice to all persons and entities entitled thereto of these proceedings and the matters set forth herein, including the Settlement and Plan of Allocation, to all Persons entitled to such notice. No Settlement Class Member is relieved from the terms of the Settlement, including the releases provided for therein, based upon the contention or proof that such Settlement Class Member failed to receive actual or adequate notice. A full opportunity has been offered to the Settlement Class Members to object to the proposed Settlement and to participate in the hearing thereon. The Court further finds that the notice provisions of the Class Action Fairness Act, 28 U.S.C. § 1715, were fully discharged and that the statutory waiting period has elapsed. Thus, it is hereby determined that all members of the Settlement Class are bound by this Order and Final Judgment.

5. The Settlement is approved as fair, reasonable and adequate, and in the best interests of the Settlement Class. Plaintiffs and the Settling Defendants are directed to consummate the Settlement in accordance with the terms and provisions of the Stipulation.

6. Plaintiffs and the Settlement Class Members hereby release and forever discharge the Released Persons from any and all Released Claims. Plaintiffs and the Settlement Class Members are hereby permanently and forever enjoined from prosecuting, attempting to prosecute, or assisting others in the prosecution of the Released Claims against the Released Persons, as set forth in the Stipulation. For purposes of this Order and Final Judgment:

a. "Released Claims" means any and all claims, rights, demands, obligations, damages, actions or causes of action, or liabilities whatsoever, of every nature and description, including both known claims and Unknown Claims, whether arising under federal, state, common or foreign law or regulation, that arise out of or relate in any way to the purchase or sale of MagnaChip Securities during the Settlement Class Period and the acts, facts, statements, or omissions that were or could have been alleged or asserted by Plaintiffs or any member of the Settlement Class in the Action or in any other action in any court or forum, except that the following are expressly excluded from the definition of Released Claims: (i) all claims asserted in the Derivative Actions; (ii) all claims asserted against Avenue Capital in the Action; (iii) all claims brought or that might be brought against MagnaChip or any of the Defendants by the SEC, whether or not they arise out of or relate in any way to the purchase or sale of MagnaChip Securities during the Settlement Class Period; and (iv) all claims to enforce any of the terms of this Stipulation.

b. "Released Persons" means (i) MagnaChip, Park, Hwang, Sakai, Norby, Lee, Tavakoli, Klein, Elkins, non-defendant Brian Mulhern, and the Underwriter Defendants; (ii) each of MagnaChip, Park, Hwang, Sakai, Norby, Lee, Tavakoli, Klein, Elkins, non-defendant Brian Mulhern, and the Underwriter Defendants' respective present and former parents, subsidiaries, divisions, departments, and affiliates (and the predecessors, successors, administrators and assigns of each of the foregoing); and (iii) each of the respective stockholders, officers, directors, employees, agents, and any of their advisors, counsel, underwriters, representatives of the foregoing in (i) and (ii) in their capacities as such. With the exception of Elkins, Klein and non-defendant Brian Mulhern who are Released Persons individually, "Released Persons" specifically excludes Avenue Capital and its current, former, or future parents, subsidiaries, affiliates, partners, joint venturers, attorneys, trustees, insurers (and their respective businesses, affiliates, subsidiaries, parents and affiliated corporations, divisions, predecessors, shareholders, partners, joint venturers, principals, insurers, reinsurers, successors and assigns, and their respective past, present and future attorneys, accountants, and auditors), reinsurers, advisors, accountants, associates, funds affiliated with Avenue Capital, funds under Avenue Capital's management, and/or any other individual or entity in which Avenue Capital has a controlling interest or which is related to or affiliated with any of Avenue Capital, and the current, former, and future legal representatives, heirs, successors-in-interest, or assigns of Avenue Capital.

7. Each of the Settling Defendants, including any and all of his/her/its successors in interest or assigns, hereby releases and forever discharges any and all Released Defendants' Claims, to the extent they relate to the subject matter of this Action or its prosecution thereof, against the Lead Plaintiff, Named Plaintiffs, any of the Settlement Class Members, and any of their counsel, including Plaintiffs' Counsel. For purposes of this Order and Final Judgment:

a. "Released Defendants' Claims" means all claims, demands, rights, remedies, liabilities, and causes of action of every nature and description whatsoever, whether based on federal, state, local, statutory, or common law, or any other law, rule, or regulation, including both known and Unknown Claims, that: (i) have been or could have been asserted in the Action by any of the Released Persons or the successors and assigns of any of them, against any of the Plaintiffs or any of their attorneys; and (ii) arise out of or relate in any way to the institution, prosecution, or Settlement of this Action or the Released Claims, including but not limited to all claims for malicious prosecution or sanctions. "Released Defendants' Claims" does not include claims to enforce any of the terms of this Stipulation.

8. **Bar Order**: subject to the provisions of the Stipulation, all Persons are barred from commencing, prosecuting, or asserting any Barred Claims. All Barred Claims are hereby extinguished, discharged, satisfied, and unenforceable. If any term of this Bar Order is held to be unenforceable after the date of entry, such provision shall be substituted with such other provision as may be necessary to afford all Released Persons the fullest protection permitted by law from any Barred Claim. For purposes of this Order and Final Judgment:

a. "Barred Claim" means any claim, if any, however styled, whether for indemnification, contribution, or otherwise and whether arising under state, federal or common law, against the Released Persons (including claims asserted by Released Persons against other Released Persons) where the claim is or arises from a Released Claim and the alleged injury to such Person arises from that Person's alleged liability to the Settlement Class or any Settlement Class Member, including any claim in which a Person seeks to recover from any of the Released Persons (i) any amounts such person or entity has or might become liable to pay to the Settlement Class or any Settlement Class Member and/or (ii) any costs, expenses, or attorneys' fees from defending any claim by the Settlement Class or any Settlement Class Member.

9. Notwithstanding the foregoing Paragraph 8, nothing in this Order and Final Judgment:

a. will bar the Released Persons from pursuing claims that are outside the scope of or independent of the Released Claims, including but not limited to any claim that any Released Person may have for indemnification related to costs and expenses incurred in responding to discovery requests in the Action; or

b. will bar or constitute a release of any claim by any of the Released Persons for insurance or reinsurance coverage arising out of, related to, or in connection with this Action or the Released Claims.

10. The Non-Settling Defendants shall be entitled to a reduction of any judgment entered against them in this Action equal to the greater of: (i) the Settlement Amount; or (ii) the Released Persons' proportionate share of the fault.

11. Plaintiffs' Counsel are awarded attorneys' fees in the amount of $5,875,000 and expenses, including experts' fees and expenses, in the amount of $227,529.90, such amounts to be paid from out of the Gross Settlement Fund ten (10) calendar days following the entry of this Order. Lead Plaintiff's Counsel shall thereafter be solely responsible for allocating the Attorneys' Fees and Expenses among other Plaintiffs' Counsel in a manner in which Lead Plaintiff's Counsel in good faith believe reflects the contributions of such counsel to the initiation, prosecution, and resolution of the Action. If, and when, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the foregoing Attorneys' Fees and Expense award is overturned or lowered, or if the Settlement is terminated or is not approved by the Court, or if there is an appeal and any order approving the Settlement does not become Final and binding upon the Settlement Class, then, within thirty (30) business days after receiving notice from Settling Defendants' Counsel of such an order from a court of appropriate jurisdiction, each Plaintiffs' Counsel law firm shall refund to the Gross Settlement Fund such fees and expenses previously paid to them from the Gross Settlement Fund plus interest thereon at the same rate as earned on the Gross Settlement Fund in an amount consistent with such reversal or modification. Each Plaintiffs' Counsel law firm receiving attorneys' fees and litigation costs and expenses, as a condition of

receiving such fees and expenses, on behalf of itself and each partner and/or shareholder of it, (including the law firm and its partners and/or shareholders) shall be subject to the jurisdiction of the Court for the purpose of enforcing this Stipulation, and each shall be liable for repayment of the attorneys' fees and litigation costs and expenses allocated to it, including all amounts paid as referral fees to other law firms, as well as accrued interest thereon. Upon application of MagnaChip or MagnaChip's Counsel, the Court may summarily issue orders, including, without limitation, judgments and attachment orders and may make appropriate findings of or sanctions for contempt against any of Plaintiffs' Counsel law firm or any of its partners and/or shareholders should such Plaintiffs' Counsel law firm fail timely to repay fees and expenses pursuant to this Paragraph 11.

12. Lead Plaintiff is awarded the sum of $1,500, as reasonable costs and expenses directly relating to the representation of the Settlement Class as provided in 15 U.S.C. § 78u-4(a)(4), such amounts to be paid from the Gross Settlement Fund upon the Effective Date of the Settlement.

13. The Court hereby finds that the proposed Plan of Allocation is a fair and reasonable method to allocate the Net Settlement Fund among Settlement Class Members.

14. The Court finds that all parties and their counsel have complied with each requirement of Rule 11 of the Federal Rules of Civil Procedure as to all proceedings herein.

15. Neither this Order and Final Judgment, the Preliminary Approval Order, the Stipulation (including the exhibits and Supplemental Agreement thereto), the MOU, nor any of the negotiations, documents or proceedings connected with them shall be:

a. referred to or used against the Released Persons or against the Plaintiffs or the Settlement Class as evidence of wrongdoing by anyone;

b. construed against the Released Persons or against the Plaintiffs or the Settlement Class as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial;

c. construed as, or received in evidence as, an admission, concession or presumption against the Settlement Class or any of them, that any of their claims are without merit or that damages recoverable under the Complaint would not have exceeded the Settlement Amount; or

d. used or construed as an admission of any fault, liability or wrongdoing by any person or entity, or offered or received in evidence as an admission, concession, presumption or inference against any of the Released Persons in any proceeding other than such proceedings as may be necessary to consummate or enforce the Stipulation.

16. Notwithstanding the foregoing Paragraph 15, the Settling Parties and other Released Persons may file or refer to this Order and Final Judgment, the Stipulation, Preliminary Approval Order, and/or any Claim Form: (a) to effectuate the liability protections granted hereunder or thereunder, including without limitation, to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good-faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim; (b) to obtain a judgment reduction under applicable law; (c) to enforce any applicable insurance policies and any agreements relating thereto; or (d) to enforce the terms of the Stipulation and/or this Order and Final Judgment.

17. Exclusive jurisdiction is hereby retained over the Settling Parties for all matters relating to the Action, including the administration, interpretation, effectuation or enforcement of the Stipulations, or Settlement and this Order and Final Judgment, and including any application for fees and expenses incurred in connection with administering and distributing the Settlement proceeds to the Settlement Class Members.

18. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions in the Stipulation.

19. There is no just reason for delay in the entry of this Order and Final Judgment and immediate entry by the Clerk of the Court is directed pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

20. The finality of this Order and Final Judgment shall not be affected, in any manner, by any appeals concerning the Attorneys' Fees and Expenses awarded herein, the Award to Lead Plaintiff, or the Plan of Allocation.

21. In the event that the Settlement does not become Final and effective in accordance with the terms and conditions set forth in the Stipulation, then the Stipulation, except as otherwise provided in Section L.6 therein, including any amendment(s) thereto, the Preliminary Approval Order, and this Order and Final Judgment, except for Paragraphs 11, 15, and 21-23 shall be rendered null and void of no further force or effect, and all Settling Parties shall be deemed to have reverted *nunc pro tunc* to their respective status prior to the execution of the Memorandum of Understanding between the Settling Parties dated December 10, 2015 (the "MOU"), and the Settling Parties shall proceed in all respects as if the MOU and the Stipulation had not been executed and the related orders had not been entered, without prejudice in any way from the negotiation, fact, or terms of the Settlement, and preserving all of their respective claims and defenses in the Action, and shall revert to their respective positions in the Action.

22. In the event the Settlement does not become Final and effective in accordance with the terms and conditions set forth in the Stipulation, the Escrow Agent shall refund the Gross Settlement Fund, less amounts already expended for Notice and Administration Expenses pursuant to the terms of the Stipulation (provided that any deductions from the refund for expenses and costs related to Notice and Administration Expenses shall be deducted from MagnaChip's proportional share of the contributions to the Settlement Amount), to MagnaChip within ten (10) business days thereafter. At the request of any Settling Defendants or Plaintiffs, the Escrow Agent or the Escrow Agent's designee shall apply for any

tax refund owed to the Gross Settlement Fund and pay the percentage of the proceeds of the tax refund, after deduction of any fees and expenses incurred in connection with such application(s) for refund, to MagnaChip.

23. The Court's orders entered during this Action relating to the confidentiality of information shall survive this Settlement.

Dated: December 1, 2016

HON. JON S. TIGAR
UNITED STATES DISTRICT JUDGE